

TRANSMITTAL #3

MEMORANDUM

May 3, 2010

TO: Workforce Development Council

Roger B. Madsen

FROM: Roger B. Madsen, Director

SUBJECT: Request for use of the Special Administration Fund

ACTION REQUESTED: Approval of the attached request for use of the Special Administration Fund

BACKGROUND:

At the February meeting, the council approved the Department of Labor's request to spend money from the Special Administration Fund, beginning July 1, 2010, for administration of Idaho's employment services, unemployment insurance, Workforce Investment Act and related programs. Since that time, the governor requested the department to provide support for the Idaho Health Professions Education Council and designated it as a subcommittee of the Workforce Development Council. The department uses the Special Administrative Fund to pay for its share of the expenses of the Workforce Development Council and is requesting permission for the use of these funds to pay for travel and meeting expenses for the Idaho Health Professions Education Council.

An amended request form for the next two years is attached. This form must be signed by the chair of the Workforce Development Council and kept on file at the Idaho Department of Labor to authorize expenditures from the Special Administration Fund.

ACTION REQUESTED:

Approve the amendments to authorize expenditure of the Special Administrative Fund for the Idaho Health Professions Education Council.

Contact: Primary: Joni Booth (208) 332-3570 ext 3165
Secondary: John McAllister (208) 332-3570 ext 3101

Attachment

Attachment 1
IDAHO DEPARTMENT LABOR
Workforce Development Council
Administrative Tax Spending Request
PROGRAM YEARS 2010 and 2011/FISCAL YEARS 2011 and 2012
May, 2010

Beginning in 1995, the department asked the Employment Security Advisory Council for authority to spend Unemployment Insurance Reserve Fund interest earnings for specific purposes, with exact amounts to be determined later by the department. Prior to 1995, the department based its request to the Advisory Council on an estimate of what was needed to accomplish specific objectives. Uncertainty relating to federal funding levels made the pre-1995 approach impossible. Since federal funding is still unreliable and unpredictable, the department would like to continue the 1995 practice. As required in 72-1347A(c) of the Idaho Code, the Idaho department of Labor requests approval from the Workforce Development Council to spend Reserve Fund interest earnings, also referred to as the Special Administration Fund, for the following purposes:

1. **FEDERAL FUNDING REDUCTIONS/ENHANCE THE DEPARTMENT'S ABILITY TO PROVIDE WORKFORCE SERVICES:** Due to federal funding reductions in Employment Services, Unemployment Insurance, and related programs such as Career Information Systems and Alien Labor Certification, maintaining the current service structure of 25 local offices requires supplemental funding. Federal funding reductions can include failure of federal grants to increase sufficiently to cover general inflation, or a reduction in grant funds... For example, the department has experienced several instances where the legislature enacted pay increases and the federal government did not fund them in its grants.
2. **AUTOMATION:** To invest in the equipment, development or purchase of software, training and related items needed to continually modernize department automated systems to make the department more efficient and effective. This includes efforts such as construction of the Idaho Works System and its various components including the Workforce Investment Information System and the Labor Market Information/Career Information Systems; enhancement of the department's Internet offering and maintenance and enhancement of the unemployment insurance benefits and tax systems. Included in this category is funding for department staff as well as for private sector contractors to provide support on department PC's, LAN's, and mainframe.
3. **FACILITIES:** To cover the cost of remodeling owned facilities or purchasing new facilities for Department of Labor operations around the state. These facility enhancements are partially funded by Idaho's Permanent Building Fund and are dedicated primarily to establishing or enhancing Idaho Works Career Centers. These facility enhancement efforts have resulted in greater premises costs to the department. The department needs to use Reserve Fund interest earnings to augment federal grants because of increased premises costs and because some costs such as those for construction are not allowable charges to federal grants.
4. **WORKFORCE INVESTMENT ACT:** To supplement federal funding in the department's operation of the Workforce Investment Act of 1998.
5. **WORKFORCE DEVELOPMENT COUNCIL COSTS:** To cover the Department of Labor's share of any operating costs of the Workforce Development Council and its subcommittees, including the costs of the Idaho Health Professions Education Council.
6. **IDAHO YOUTH CORPS:** To supplement private donations for Department of Labor administration of the Idaho Youth Corps.
7. **IDAHO HUMAN RIGHTS COMMISSION:** To supplement reduced State funding.

Annually, the department reports actual use of the Special Administration Fund to both the Workforce Development Council and to the Joint Finance and Appropriations Committee of the Idaho Legislature. A copy of the most recent report to the Legislature is attached. This request for authority to expend monies from the Special Administration Fund was reviewed by the Workforce Development Council and is hereby approved.

Chair, Workforce Development Council

DATE